



ENERGY ASSURANCE DAILY

Wednesday Evening, September 28, 2016

Electricity

Update: Exelon's 1,163 MW Byron Nuclear Unit 1 in Illinois Ramps Up to 92 Percent by September 28

On the morning of September 27 the unit was operating at 76 percent, reduced from full power on September 25.
<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

Ameren's 1,125 MW Callaway Nuclear Unit in Missouri Reduced to 65 Percent by September 28

On the morning of September 27 the unit was operating at full power.
<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

Petroleum

Citgo Shuts CDU, VDU after Leak at Its 157,500 b/d Corpus Christi, Texas Refinery September 27 – Sources

A 165,000 b/d crude distillation unit (CDU) at Citgo Petroleum Corp's Corpus Christi, Texas refinery was shut for repairs after a leak was discovered on Tuesday, according to sources familiar with plant operations. In addition, a 85,300 b/d vacuum distillation unit (VDU) attached to the CDU was also shut.
Reuters, 15:51 September 27, 2016

Chevron Reports Unplanned Flaring at Its 269,000 b/d El Segundo, California Refinery September 27

Chevron Corp reported unplanned flaring at its refinery in El Segundo, according to a filing with the South Coast Air Quality Management District.
Reuters, 15:18 September 27, 2016

U.S. Crude Oil Inventories Fall 1.9 Million Barrels September 23 – EIA

U.S. commercial crude inventories fell 1.9 million barrels to 502.7 million barrels during the week ending September 23, the U.S. Energy Information Administration (EIA) said on Wednesday. Stocks at the Cushing, Oklahoma delivery hub for U.S. crude futures fell 631,000 barrels, EIA said, while East Coast crude inventories fell by 3.3 million barrels – the largest drop since May 2004.
Reuters, 11:18 September 28, 2016

Canada's Crude-by-Rail Exports to U.S. Drop to 53,089 b/d in July 2016 – NEB

Canadian crude oil exports by rail dropped 36 percent in July versus the same month a year earlier, according to National Energy Board data released on Tuesday. According to the average monthly data, Canada exported 53,089 b/d to the U.S. by rail in July 2016 versus 83,036 b/d in July 2015, although the July 2016 average represents an increase relative to 43,205 b/d in June 2016. Demand to export Canadian crude by rail has dropped sharply since the high point of around 180,000 b/d in 2014, as new and expanded North American crude pipelines have opened up, allowing producers to reach U.S. markets more cheaply
http://www.downstreamtoday.com/news/article.aspx?a_id=53674

DTE Energy to Purchase Natural Gas Midstream Assets in Pennsylvania, West Virginia

DTE Energy on Monday announced it will purchase M3 Midstream's interests in two natural gas gathering systems in Pennsylvania and West Virginia. The transaction will include a 100 percent stake of the Appalachia Gathering System (AGS) and a 40 percent share of the Stonewall Gas Gathering System (SGG). In addition, DTE will also purchase 15 percent of Vega Energy Partners' interests in the SGG system. DTE said these assets will become part of its non-utility Gas Storage and Pipeline business that currently owns and manages a network of natural gas gathering, transmission, and storage facilities serving the Midwest, Ontario, and Northeast markets. These assets gather natural gas produced in the Appalachia region and provide access to multiple markets, including the Great Lakes region, through interconnections with Columbia Gas Transmission, Texas Eastern Transmission, and the NEXUS Gas Transmission project currently being developed by DTE and Spectra Energy. The transactions are expected to be completed in the fourth quarter of 2016.

<http://newsroom.dteenergy.com/2016-09-26-DTE-Energy-to-purchase-natural-gas-midstream-assets#sthash.kXtnFM3F.dpuf>

Petronas Receives Approval for Pacific NorthWest LNG Export Project in British Columbia September 27

Malaysia's Petronas on Tuesday said it would review its proposed \$27.25 billion Pacific NorthWest liquefied natural gas (LNG) export project in northern British Columbia after the Canadian Government approved the project with conditions to limit the environmental impact. The approval came with 190 conditions that Petronas and partners in China, India, Japan, and Brunei would have to meet, after a review found the project would have a significant environmental impact. To further complicate the project review, Petronas' investment in the project would depend on LNG prices that have dropped by over a third in two years amid worries about oversupply and faltering Chinese demand.

http://www.petronas.com.my/media-relations/media-releases/Pages/article/Canada-LNG_4Z4X5M.aspx
<http://www.reuters.com/article/us-canada-petronas-lng-idUSKCN11X2GH>

Other News

Nothing to report.

International News

Update: Aruba Parliament Approves Reactivation of Citgo's 235,000 b/d Refinery September 27

Aruba's Parliament late on Tuesday approved a law that permits the reactivation of the island's Citgo-operated refinery. The parliament's approval is the final stage before activity can be initiated after operations were halted in 2012 as the refinery was not making enough money.

Reuters, 12:05 September 28, 2016

Iraq Regains Control of All Oil Wells from Islamic State – Oil Ministry

Islamic State (IS) militants no longer control any oil wells in Iraq after being ousted by government forces last week from an area near Kirkuk, the oil ministry said on Wednesday. Iraqi forces have yet to recapture the Najma oilfield, near Qayyara, but its producing wells are no longer accessible to IS because of the ongoing government offensive and air strikes, according to oil and security officials. Deprived of oil income, IS will have to find other financing means such as increasing taxation and fines in areas still under its control, a provincial security official said.

Reuters, 9:52 September 28, 2016

OPEC Verbally Agrees to Limit Oil Output at 32.5 Million b/d September 28

The Organization of the Petroleum Exporting Countries (OPEC) verbally agreed on Wednesday to reduce its oil output to 32.5 million b/d from the current production levels of around 33.24 million b/d, two OPEC sources told Reuters. The producing group will agree on concrete levels of production by each country at its next formal meeting in November, the sources said. One source also said that once production targets were reached, OPEC would reach out to non-OPEC producers for cooperation.

Reuters, 14:33 September 28, 2016

Lightning Storm Knocks Out Power to 1.7 Million People in South Australia September 28

Severe storms producing more than 21,000 lightning strikes ultimately led to a system-wide power outage to the entire state of South Australia—which has a population of 1.7 million—on Wednesday, authorities said. The Bureau of Meteorology said a vigorous cold front was moving across the state with an intense low pressure system producing heavy rains, thunderstorms, and gale force winds. The South Australian system collapse resulted from power line outages caused by the lightning strikes combined with a lack of interchange power supply from a neighboring State's power grid. South Australia normally draws power supply from Australia's east coast through an interconnection with the neighboring state of Victoria. At the time of the failure on Wednesday, no power was flowing from the Victoria interchange into South Australia, said a spokesman for the Australian Energy Market Operator, which operates the power systems in southern and eastern Australia. A spokeswoman for ElectraNet said power was being restored to some areas of Adelaide. Meanwhile, SA Power Networks said repairs to its transmission network were underway.

Reuters, 8:35 September 28, 2016

Energy Prices

U.S. Oil and Gas Prices September 28, 2016			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	47.02	45.34	44.34
NATURAL GAS Henry Hub \$/Million Btu	3.03	3.06	2.55

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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